
Nestlé System Technology Centre Inauguration 25 March 2013



Speech by Paul Bulcke
CEO of Nestlé SA

(Check against delivery)

Dear Mr Conseiller d'Etat, dear Mr le Syndic, dear guests, ladies and gentlemen,

Welcome to our inauguration ceremony.

It is a great honour and pleasure for me to be here in Orbe today to inaugurate the Nestlé System Technology Centre, our latest R&D Centre on our Orbe site.

I am particularly pleased to welcome Mr Philippe Leuba, Conseiller d'Etat du Canton de Vaud and Mr Claude Recordon, Syndic of Orbe. Thank you both for joining us today to celebrate this important milestone for Orbe and for Nestlé.

Ladies and gentlemen:

Indeed, research & development is one of Nestlé's key competitive advantages and a driving force behind realising our ambition to be the leading nutrition, health and wellness company.

Switzerland, and the site here in Orbe, have always played a very important role in Nestlé's global innovation network. Today, half of our annual research and development spend is concentrated in Switzerland. It is home to 8 of our research and development centres, of which 3 are located on this site. PTC Orbe is our centre of excellence for coffee, chocolate-malt beverages and cereals. It is also here that the Nestlé Professional Beverage Centre is located, and the CPW Innovation Centre, the R&D centre of our joint venture with General Mills. This site is a perfect example of our ongoing commitment to innovation, research and development, and to Switzerland.

Today we are inaugurating the latest addition to the Orbe site, the Nestlé System Technology Centre. This centre, with its 120 specialists from 25 countries, will take global leadership in machines, capsules and the integration of products and systems. It is Nestlé's leading competence centre for the design, development and deployment of our delivery systems and offers expertise in machines, packaging and products for the in-home and out-of-home market.

This fascinating journey started in 1938 when we developed Nescafé. What began as a soluble coffee, has over the past 75 years become a global product available in many different forms for different moments, meeting specific consumer needs. By combining this extensive coffee know-how with our expertise in capsule and machine technology, Nestlé R&D conceived and developed the *Nespresso* capsule in 1982, an innovation which has significantly changed the single serve coffee market. Many other innovations followed, such as *Nescafé Dolce Gusto*, *Nescafé Barista* and *Nescafé Milano*. Our innovation is not limited to systems but also extends into new business models and routes-to-market. Results of this combined expertise are *Special-T.*, our tea system, and *BabyNes*, our innovative system for infant formula.

Ladies and gentlemen:

Over the past few years, there has been much debate about the global economic crisis, and particularly the crisis in Europe. Indeed, these are not easy times. So at times like these, it is reassuring to see there is also good news, and that there are companies that continue to invest in Europe.

Indeed, although we enjoy a global presence, Switzerland, our home country, is always close to our heart. From 2003 to 2012, we invested more than CHF 3.2 billion in Switzerland. We invested in our Product Technology Centre and our factory in Konolfingen. We opened our Chocolate Centre of Excellence in Broc, and the Nestlé Institute of Health Sciences and our Clinical Development Unit in Lausanne. We opened our Nespresso factory in Avenches, which we have already expanded, and we began construction on a third Nespresso production site in Romont.

These investments have a direct impact on employment. From 2003 to 2012, we created 3,400 jobs in Switzerland, an increase of 52% over ten years. In Orbe, 650 jobs have been created in ten years, bringing the total number of people employed here to 1,500 today.

Our investments contribute not only to the success of Nestlé and our employees, but also to our suppliers and the local economy. For example, thirty local and regional companies, large and small, were involved in the construction of the System Technology Centre.

It was obvious to us that we would build our System Technology Centre in Switzerland, and more specifically, in Orbe. Not only to enable collaboration with the PTC, but also to benefit from Switzerland's favourable environment for innovation. Switzerland, with its dual system of general education and vocational training, offers an exceptional talent pool. It allows strong links between businesses, service providers, financial institutions, universities and governmental agencies. The strength of these industry-academia-government networks has direct implications for innovation.

Switzerland should be aware of its many attractions as a place to do business. I have full confidence that this country will continue to cherish its assets and will take the right decisions to preserve its attractiveness.

Thank you.

I would now like to hand over to Claude Recordon, Syndic of Orbe.

Mr. Recordon.